
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.30.2009

Wall Street Journal: "Consumers Unlikely to Keep Pace ... Consumers helped propel the U.S.'s economic growth in the third quarter, but unemployment and tight credit are hampering their ability to lead a sustainable recovery -- and it isn't clear what part of the economy can replace them."

Wall Street Journal: "FTC Powers Could Expand Under Consumer Agency Bill ... A bill creating a new consumer financial-protection agency and giving broader powers to the Federal Trade Commission cleared its second House panel Thursday and is being readied for a floor vote."

Wall Street Journal: "Geithner: Economy Can Withstand Commercial Real-Estate Woes ... U.S. Treasury Secretary Timothy Geithner on Thursday expressed confidence that the deepening problems of the commercial real-estate sector wouldn't drag the economy back down."

Wall Street Journal: "U.S. Seeks Power to Force Even Strong Banks to Shrink ... Treasury Secretary Timothy Geithner said Thursday that his proposal to overhaul banking rules would give the government the ability to order even healthy companies to "shrink and separate" if their size or scope threatened the broader economy."

Wall Street Journal: "The Pay Czar Is Unconstitutional ... Last week's announcement that "Pay Czar" Kenneth Feinberg slashed compensation for executives at seven large financial firms by an average of 50% stunned Wall Street, stoked the fires of populist resentment, and troubled economists."

Washington Post: "Doubts greet Obama's financial oversight plan ... The Obama administration on Thursday ran into skepticism from lawmakers on both sides of the aisle, as well as a key regulator, as it pushed for broad new powers to monitor risks throughout the financial system and to wind down large, troubled financial firms whose failure could endanger the economy."

NY Times: "F.D.I.C. Chief Criticizes Reform Plan ... Senior regulators and some lawmakers clashed once again with the Obama administration on Thursday, finding fault with central elements of the White House's latest plan to unwind large financial companies when their troubles imperil the financial system."

LA Times: "Geithner makes a pitch for regulation of financial industry ... Recently unveiled legislation that seeks to avert the risk created by complex financial firms that are too big to fail might itself be too broad and complicated to survive without significant changes."

USA Today: "Banks say consumers catching up on credit card, mortgage payments ... After years of living beyond their means, U.S. consumers hit a hard wall of reality in the last 2½ years. Hurt by massive job cuts and a free fall in home prices, many stopped paying their credit card bills and defaulted on their mortgages."

USA Today: "Geithner: Proposal to dismantle big firms won't lead to bailouts ... Treasury Secretary Timothy Geithner said Thursday that giving the government the power to dismantle mammoth financial firms like Lehman Brothers will prevent future bailouts."

USA Today: "Our view on the economy: How to deal with banks that are 'too big to fail' ... If there's anything economists, business leaders and politicians of all stripes agree on, it's that massive financial institutions pose a serious threat to the

global economy."

USA Today, Hensarling: "Opposing view: End taxpayer-funded bailouts ... As any good doctor will tell you, if you get the diagnosis wrong, you get the remedy wrong."

Washington Times: "Geithner says plan won't lead to more bailouts ... Treasury Secretary Timothy F. Geithner says that bankruptcy - not taxpayer-funded bailouts - will be the federal government's primary response to failing Wall Street firms in the future."

Reuters: "House panel OKs bill creating consumer agency ... A U.S. House of Representatives panel approved a bill on Thursday to create a Consumer Financial Protection Agency to oversee mortgages and other financial products while strengthening the pro-consumer Federal Trade Commission."

Reuters: "U.S. economy stabilized but risks remain: Geithner ... The U.S. economy's return to growth during the third quarter shows stability has been regained but recovery is fragile and needs nurturing, Treasury Secretary Timothy Geithner said on Thursday."

Politico: "Dodd and Shelby still haggling ... The fate of financial reform has always hinged on whether Senate Banking Committee Chairman Chris Dodd and Republican Richard Shelby could cut a deal."